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21 March 1963

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# CENTRAL INTELLIGENCE BULLETIN



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## CENTRAL INTELLIGENCE BULLETIN

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### DAILY BRIEF

USSR: (An upcoming spy trial in Moscow may have political repercussions in the highest levels of the Soviet leadership.)

According to rumors in Moscow, the trial of Oleg Penkovsky, a Soviet official accused last fall of spying for the West, is imminent. Several high-ranking officials are said to be implicated. The American Embassy believes it possible that some top-level political figures are manipulating the affair in order to discredit or perhaps disgrace others with whose policy views they disagree.)

Army General Ivan Serov, head of the main intelligence directorate of the Defense Ministry and former head of the secret police, is in serious trouble and may be in prison because his daughter made two trips to Western Europe with Penkovsky and brought back gifts for several high-ranking officials. Serov had a close relationship in the past with Khrushchev.)

Serov's involvement in the affair has caused difficulties for Defense Minister Malinovsky. Soviet General Staff Chief Zakharov may also be implicated. A recent unconfirmed report alleges that he has been removed.)

(Penkovsky was an officer in the USSR State Committee for Coordination of Scientific Research. His friendship with his immediate superior, Dzherman)

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(Gvishiani, is said to have "hurt" Soviet First Deputy Premier Aleksey Kosygin. Gvishiani is Kosygin's son-in-law.)

(Izvestia on 15 December claimed that Penkovsky had given "foreign knickknacks" to his superiors and made veiled threats against the latter for their "lack of vigilance!"

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\*USSR-Cuba: (The difficulties and conflicting pressures Moscow faces in dealing with Cuba were again reflected)

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the Cuban problem remains one of Moscow's main preoccupations because the USSR's prestige is heavily involved and because Cuba plays a significant role in the Sino-Soviet dispute.)

(Moscow's aim in strengthening Cuba's defenses, is to make Cuba invulnerable to an attack by any Latin American country, provided that the attack did not have US support.)

President Kennedy is unlikely to order a direct attack at this stage and that US actions, therefore, will be limited to inciting internal revolution in Cuba. Moscow is confident that the Castro regime can meet this threat. Raul Castro and Che Guevara, who "thoroughly control" the regime, have Moscow's complete confidence.)

the withdrawal of "several thousand Soviet technicians" in mid-March was the result of US pressure. these technicians had completed their training mission and that their departure was publicized to give the appearance of a Soviet contribution to good relations with the US. additional technicians will be withdrawn as soon as their missions are accomplished and Cuban military units are qualified to handle their weapons.)

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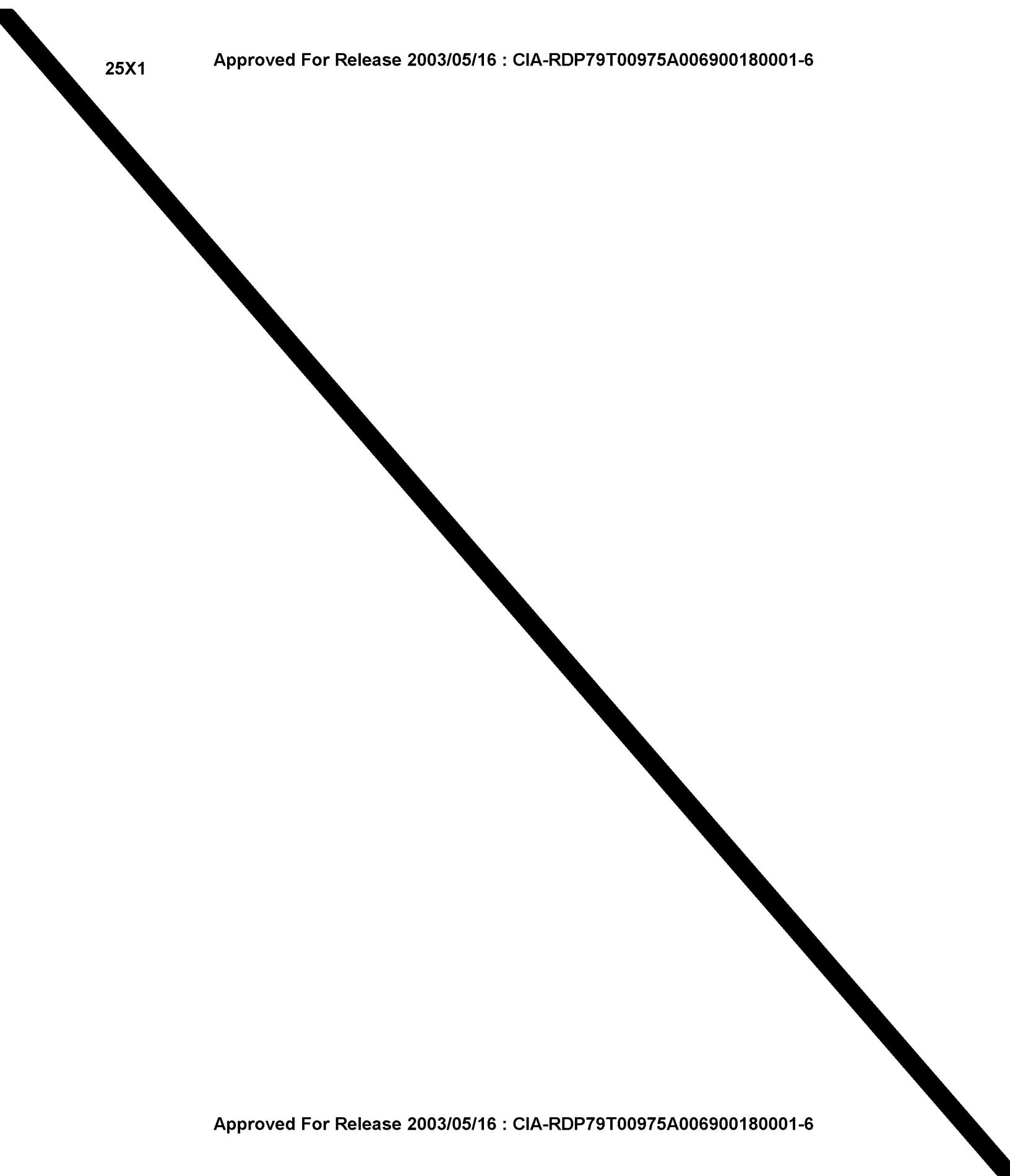
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Indonesia: (The Indonesian Communist Party is exploiting popular issues for its own advancement even at the risk of offending President Sukarno.)

(A Communist-influenced student demonstration in Bandung, Java, yesterday reportedly protested the rising cost of living and urged Communist participation in the cabinet.)

(Militants in the Indonesian Communist Party have long opposed chairman Aidit's policy of almost unqualified support of Sukarno. Their position gradually has been strengthened by both international Communist and domestic developments. The student demonstrations may indicate that the party intends using more forceful tactics.)

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South Korea: (Tension between junta leader Pak Chong-hui and civilian leaders who support an early return to representative government is building toward a major clash.)

(Pak, on 19 March, gave the civilian leaders 12 days to consider an offer to reverse his recent decision to extend military rule, provided that "corrupt politicians" would agree not to run for office in the successor government. Presidential aspirant Ho Chong refused to meet with Pak, and former President Yun Po-sun rejected the offer out-of-hand. Subsequently, the two attempted to lead a mass demonstration in Seoul protesting extension of Pak's rule.)

(As could have been expected, there has been an increasing tendency to hold the US responsible for the present difficulties. The government newspaper has expressed the hope that the country's destiny will not be determined by a "handful of short-witted foreign officials who attempt mechanically to apply ... dogmas of democracy to Korea.")

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Communist China - UK: Peiping's Vice Minister of Foreign Trade Lu Hsu-chang, who arrives in London on 21 March, may conclude contracts for commercial aircraft and some industrial equipment, probably fertilizer plants. During the past year numerous Chinese technical groups have toured Western Europe assessing industrial equipment. Lu is the highest-ranking Chinese Communist ever to make an official visit to Britain.

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Hungary: [redacted]  
[redacted] the Kadar regime will announce an amnesty on 4 April. Presumably this refers to an amnesty of the remaining prisoners from the 1956 revolution whose release is a precondition for an improvement in Hungarian relations with the US and the UN. Western diplomats in Budapest have been expecting an announcement of some such amnesty.)  
[redacted]

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\*Guatemala: Casting about for ways to prevent the return of leftist ex-President Arevalo on 31 March, Guatemalan army officers and political opposition leaders may be setting the stage for the declaration of a state of siege. They reason that such action would deny Arevalo the protection of constitutional guarantees and give the army power to prohibit the gathering of a crowd to welcome him. Both the army and opposition leaders fear that a popular reception for Arevalo would increase his chances--already considered good--of again being elected president of Guatemala this year. [redacted]

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Libya: The new government formed on 19 March is unlikely to make any significant change in Libya's pro-Western orientation. Muhi al-Din Fikini, the 38-year-old prime minister who previously was ambassador to the US and Libya's permanent representative at the United Nations, will probably be a more vigorous leader than his predecessor. Fikini and two other new ministers have been linked with the ambitious royal chamberlain, who opposes the crown prince and favors the creation of a republican form of government when 74-year-old King Idris dies.  
[redacted]

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## NATIONAL INTELLIGENCE ESTIMATE

(The United States Intelligence Board, on 20 March 1963, approved the following national intelligence estimate:

NIE 11-5-63: "Soviet Economic Problems")

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The Deputy Under Secretary of State for Political Affairs

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Commander in Chief, Pacific

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The Director, The Joint Staff

The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

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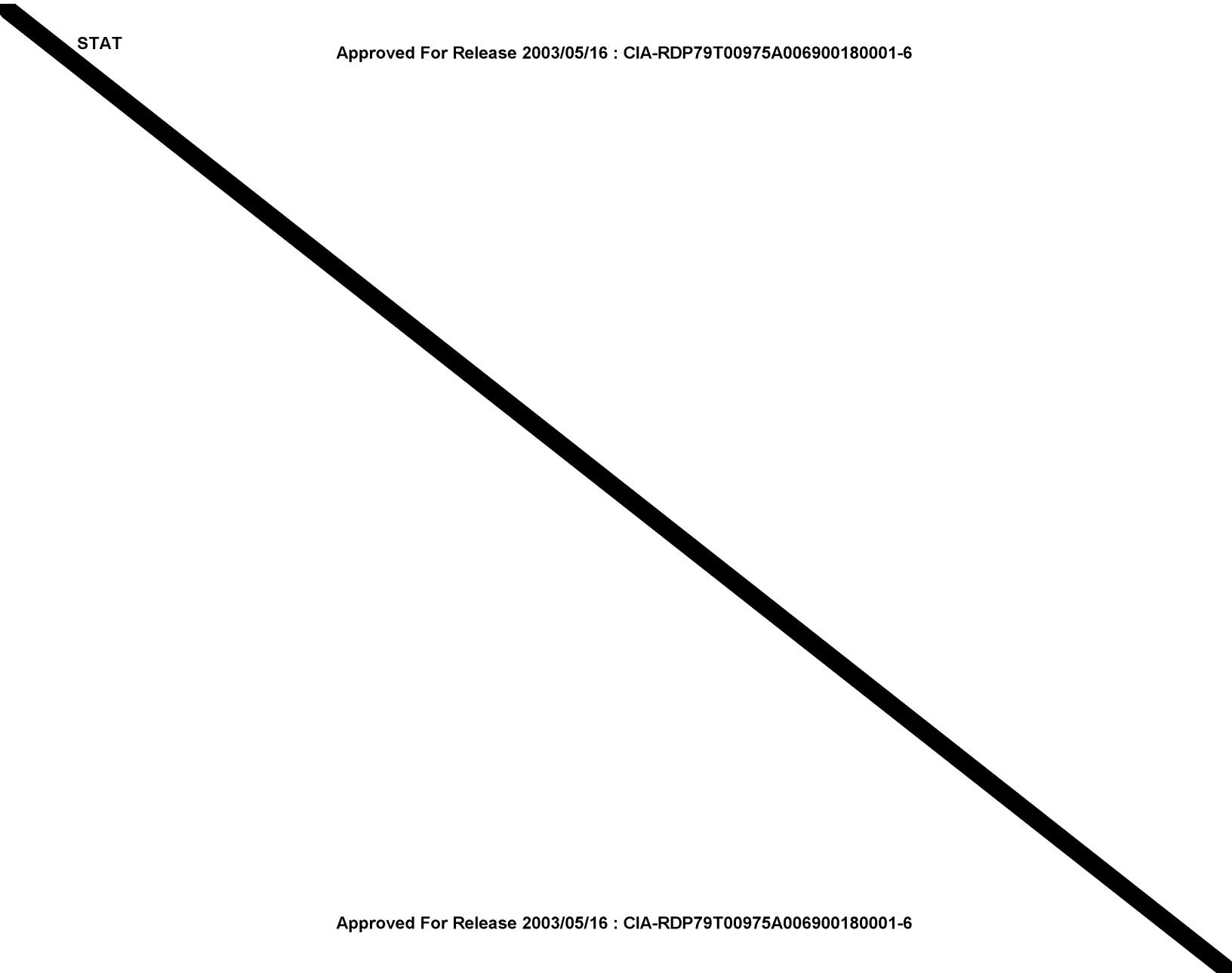
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